

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 31, 2015 1:45 PM
To: FINTestimony
Cc: dtjuarez@hawaii.edu
Subject: Submitted testimony for SB1106 on Apr 1, 2015 14:00PM

SB1106

Submitted on: 3/31/2015

Testimony for FIN on Apr 1, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Deb Juarez	Daniel K. Inouye College of Pharmacy	Oppose	No

Comments: Dear Committee Members, I am writing in opposition to SB1106, in particular the provision (section 9, item 3) that allows remote dispensing pharmacies for Quest Integration members. I believe that will result in a low quality of pharmacy care and prevent interaction with an onsite pharmacist. Thank you for your consideration of this testimony. Deborah Taira Juarez, ScD Associate Professor Daniel K. Inouye College of Pharmacy

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair
Rep. Scott Y. Nishimoto, Vice Chair

03/31/2015

Testimony Submitted in Strong Opposition

SB1106

Hawaii Community Pharmacists Association (HCPA) opposes this bill in its current form. We are concerned that this bill serves to establish a two tier pharmacy provider system where patients using managed Medicaid (Quest) receive their medications from an electric kiosk, (these are NOT remote dispensing pharmacies), manned by an unlicensed technician, (there are NO licensing requirements for technicians in Hawaii). Also allowing the dispensing of narcotic or controlled medications by an kiosk manned by other than a licensed creates a substantial health risk at a time when the abuse of controlled medications and narcotic is a national problem. Furthermore without a clause to terminate the license for the kiosk in the event a traditional pharmacy is licensed, any potential pharmacies licensed in that area would discouraged.

Also it seems short sighted for the department of Human Services to advocate and offer support for a change such as this in the name of unproven savings. The eventual outcome would be a lowering of access to the quality pharmacy services that have been shown time and again to increase patient adherence and improve outcomes.

HCPA would suggest the following language be substituted in this legislation:

"A remote dispensing pharmacy established pursuant to this subsection shall cease operations in the event that a pharmacy is subsequently established on the same island as the remote dispensing pharmacy or in the remote area without an existing pharmacy within a five mile radius."

In the interest of maintaining the health and safety of the population under the Managed Medicaid plans please adopt the suggested language.

Aloha,

Kevin Glick, R.Ph.

Hawaii Community Pharmacists Association, Co-Chair



House Committee on Finance

The Hon. Sylvia Luke, Chair

The Hon. Scott Y. Nishimoto, Vice Chair

Testimony in Support of Senate Bill 1106, SD2
Relating to Medicaid Managed Care Program
Submitted by Nani Medeiros, Public Affairs and Policy Director
April 1, 2015, 2:00 pm, Room 308

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports Senate Bill 1106, which amends the QUEST and QUEST Expanded Access references to specific programs by inserting “Medicaid managed care.”

The HPCA would like to express concerns though with Department of Human Services testimony calling for the repeal of HRS 346-41.5, citing it as no longer necessary. HRS 346-41.5 covers supplemental payments for enabling services provided to uninsured individuals at community health centers.

For these reasons, the HPCA supports this measure. Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 30, 2015 3:49 PM
To: FINTestimony
Cc: rontthi@gmail.com
Subject: Submitted testimony for SB1106 on Apr 1, 2015 14:00PM

SB1106

Submitted on: 3/30/2015

Testimony for FIN on Apr 1, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Taniguchi, Pharm.D.	Individual	Comments Only	No

Comments: Recommend striking Section 9, #2 & #3. No need to expand dispensing of prescription medications from vending machines to the non-Medicaid population.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 31, 2015 10:53 AM
To: FINTestimony
Cc: csjma@hawaii.edu
Subject: Submitted testimony for SB1106 on Apr 1, 2015 14:00PM

SB1106

Submitted on: 3/31/2015

Testimony for FIN on Apr 1, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Carolyn Ma	Individual	Oppose	No

Comments: Opposition to the remote dispensing machines - this will decrease the interaction opportunities for pharmacists with patients, may lead to unsafe medication practices.

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March 31, 2015

Dear House Committee on Human Services:

I am writing to oppose SB1106 in its current version. I request to remove or amend Section 9, Section 461-10.5 regarding "remote dispensing pharmacies".

As a recent graduate of pharmacy school, and newly practicing pharmacist, I see the importance and necessity of carrying out direct patient care. It was a major focus of my training and I see it firsthand currently as a practicing community pharmacist. A remote dispensing pharmacy only requires the physical presence of a technician, who does not need to be licensed in the state of Hawaii. Although having a remote dispensing pharmacy for Medicaid managed care programs may help cut costs, it will result in less-than-adequate care for this patient population. Increasing the radius to 10 miles will also assure more patients will receive care from a physically present pharmacist.

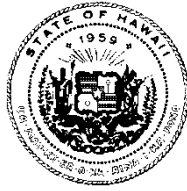
I request to remove the last section of SB1106 unless it is amended to increase the remote dispensing pharmacy radius to 10 miles.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Keri Oyadomari", with a stylized, flowing script.

Keri Oyadomari, PharmD



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 31, 2015

Memorandum



TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Rachael Wong, DrPH, Director

SUBJECT: **S.B. 1106 SD2 - RELATING TO MEDICAID MANAGED CARE**

Hearing: Wednesday, April 1, 2015; 2:00 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of the bill is to amend QUEST and QUEST Expanded Access (QExA) references in Hawaii Revised Statutes to remove language that refers to the specific programs and replace it with "medicaid managed care". Authorizes all Medicaid managed care health plans to subject prescription drugs for conditions covered in section 346-352, Hawaii Revised Statutes, to prior authorization procedures.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration measure. On January 1, 2015 the QUEST and QExA programs were combined into one program called QUEST Integration. Essentially, all Medicaid recipients, children, adults, aged, and disabled individuals, now receive services under one Medicaid managed care plan of their choice and therefore the measure proposes to amend statutory references to QUEST or QExA, and replace it with "medicaid managed care" or "medicaid managed care program." This change will ensure that any future program name change will not

require a change in statute, provided that the Medicaid services continue to be provided under a managed care delivery system.

After further review, the DHS has determined that section 346-41.5, HRS, could be repealed as it is no longer necessary. This statute was passed in 1994 in when the QUEST program began. The provision for supplemental payments to qualified health centers are being made through the managed care health plan capitation payments authorized through the Medicaid Program's 1115 waiver. This statute is not required and therefore the DHS recommends repeal of this section of the statute.

Section 346-53.64(a), HRS, replaces the term "health QUEST" with "medicaid managed care" and is a non-substantive change that will ensure that services eligible for prospective payment reimbursement to federally qualified health centers include services provided through any medicaid managed care program.

In section 346-59.4, the phrase "programs, including QUEST" is deleted and replaced with "program" which defines the full scope of federal medical assistance programs that an individual must be ineligible for in order to qualify for state-funded medical assistance. This change has no immediate impact since noncitizen children who would be eligible for state-funded assistance are currently eligible for federal medical assistance through the State Children's Health Insurance Program (SCHIP).

The proposed amendments to section 346-59.9, HRS, will ensure all medicaid managed care plans shall continue to not restrict or limit access to psychotropic medications, and clarifies all medicaid managed care plans are authorized to investigate fraud, abuse or misconduct.

The proposed amendment to section 346-352, HRS, replaces "QUEST" with "medicaid managed care." The current statute prohibits the imposition of a prior authorization requirement on prescription drugs for Medicaid recipients with human immunodeficiency virus, acquired

immune deficiency syndrome, hepatitis C, or patients in need of transplant immunosuppressive medications and exempts only QUEST health plans from the prohibition. In other words non-Aged, Blind and Disabled recipients (previously QUEST recipients) require a prior authorization process, but for the Aged, Blind and Disabled recipients (previously QExA recipients), the subject prescription drugs described in section 346-352, HRS, were not subject to prior authorizations.

With the implementation of QUEST Integration, the QUEST and QExA programs are no longer separate programs. The DHS is proposing this change to section 346-352, HRS, that would extend the exemption, thus requiring a prior authorization process, to all medicaid managed care plans.

The DHS proposed amendment will assist the DHS as it responds to the recent introduction of new drugs that, while effective, are quite costly. This change in statute will provide the DHS with the ability to better control the escalation of costs through better utilization review. One example for the need to have a prior authorization or a utilization review process is in the case of the new drug Sovaldi. Sovaldi recently came on the market to treat individuals with Hepatitis C. The medication, which may cost \$100,000 for one course of treatment, has raised concerns nationally for commercial health plans and especially Medicaid programs. The impact for Hawaii has been the submission in the Executive Budget for a total of \$28 million in each year of the biennium budget, to fund the cost just for this one drug. The budget request is based upon the premise that prior authorization for the subject class drugs will be required by all Medicaid managed care plans.

The DHS anticipates that new drugs will continue to become available in the near future that will be just as costly as Sovaldi. Guidelines to health plans have been issued related to prior authorization criteria for the subject prescription drugs for the non-Aged, Blind and Disabled

population in QUEST Integration. The guidelines were developed after extensive review of other State policies and review of clinical data. Without this proposed amendment, the DHS will not be able to effectively control these drug costs, which are likely to continue to increase. DHS is working with its actuaries to obtain an estimate for additional costs to cover Sovaldi treatment for the entire Medicaid managed care population with Hepatitis C for each year of the biennium but estimates the cost could be as high as an additional \$24 million. DHS will provide the cost estimate once it is available.

Lastly, the proposed amendment to section 461-10.5, HRS, replaces “QUEST” with “medicaid managed care” to allow remote dispensing pharmacies to provide medications to QUEST Integration recipients. These remote dispensing pharmacies have a pharmacy technician dispensing medications under the remote supervision of a pharmacist. While the Department does not oppose changing the criteria from 5 miles to 10 miles, the DHS does not believe that it is necessary as the contract with health plans require access to a pharmacy within a 60 minute driving distance. In addition this statute is set to sunset on January 1, 2016.

Thank you for the opportunity to testify on this bill.